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4 February 1953

MEMORANDUM FOR MR. CUTLER:

Subject: Sea-borne Trade with China as compared with Trans-Siberian Capacity Available for Shipments to China.

In the light of the discussion at the National Security Council this morning, Mr. Dulles has requested me to forward to you the following papers:

a. EIC-R1, of 17 April 1952, entitled "Status and Effectiveness of Trade Controls against Communist China".

b. EIC-R1-SI, dated 10 December 1952, entitled "Communist China's Imports and Shipping Involved in Trade with Communist China, 1 January-30 June 1952" and

c. EIC-R-9, dated 12 December 1952, entitled "Capability of the Trans-Siberian Railroad and Connecting Lines in Manchuria and Korea".

The first two documents listed above have not only been agreed to by all of the U. S. Intelligence Advisory Committee agencies, but also have been the subject of agreement between [redacted] 25X1X7 agencies. The third one has been concurred in by the IAC Agency representatives on the Economic Intelligence Committee.

A very brief summary of the conclusions of these papers with respect to sea-borne cargo entering Communist China on a daily and annual basis, is as follows:

	Long Tons	
	Daily	Annually
From the free world* openly	1,400	510,000
" " " " smuggled	80	30,000
From the Soviet bloc exclusive of the Far East	1,100	400,000
	2,580	940,000

[*Includes Hong Kong, a portion of the exports from which are indigenous.]

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CIA estimates that since the latest of these reports, there has been an increase of approximately 15% in the tonnage moving into Communist China by sea. Applying this percentage increase to the foregoing figures, CIA estimates that the tonnage moving into China by sea, except from the Soviet Far East, as of this date is approximately 3,000 tons per day, or 1,095,000 tons per year.

As compared with these figures, you will note in the paper dealing with the capacity of the Trans-Siberian Railroad the estimate that approximately 16,000 tons per day are available for shipments to Communist China. The maximum we estimate to be moving by rail to Communist China now is 5,500 tons per day, leaving a margin for expansion of land-borne shipments of in the neighborhood of 10,000 tons per day.

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With respect to the degree of difference between U.S. [redacted] estimates of sea-borne tonnage moving to China, you will note that the only point at issue is with respect to unused cargo capacity of minor vessels departing from Hong Kong. It is the view of CIA that a resolution of this difference would not significantly affect the figures we have given above.

/ S/
LOFTUS E. BECKER
Deputy Director/Intelligence

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